



United States Department of State

*Bureau of Political-Military Affairs  
Office of Defense Trade Controls*

Washington, D.C. 20520-0602

MAR 10 2000

DRAFT PROPOSED CHARGING LETTER

Mr. Yufeng Wang  
President  
A & C International Trade Inc.  
403 West 115<sup>th</sup> Street, Suite 1  
New York, New York 10025-1711

Re: A & C International Trade Inc.

Dear Mr. Wang:

The Department of State has reason to believe and charges that A & C International Trade Inc. has committed violations of the Arms Export Control Act (the "Act") and the International Traffic in Arms Regulations (the "Regulations"), as described below.

**RELEVANT FACTS:**

A & C Trade Inc. is a domestic concern incorporated in the State of New York organized under the laws of the United States and the State of New York.

A & C International Trade Inc. is a U.S. person engaged in the business of exporting defense articles.

A & C International Trade Inc. is subject to the jurisdiction of the United States, in particular, with respect to the Arms Export Control Act and the International Traffic in Arms Regulations.

During the period covered by the charges, A & C International Trade Inc. exported a defense article, to the Peoples Republic of China, without applying for or obtaining the required approval from the U. S. Department of State, Office of Defense Trade Controls. On March 10, 2000, A & C International Inc. entered a guilty plea in U.S. District Court, District of Colombia to a one count violation of the Arms Export Control Act (AECA). This guilty plea was pursuant to a plea agreement between A & C International and the Government, wherein A & C International agreed to accept the terms of the Order signed by the by Counsel for A & C International on March 10, 2000.

**BACKGROUND:**

On or about November 30, 1995, A & C International Trade Inc. did knowingly and willfully export, transfer and transship and cause to be exported, transferred and transshipped to the Peoples Republic of China, a defense article, namely, a system described by its manufacturer as a pressurized pepper gas system, consisting of components, parts, accessories, attachments and associated equipment specifically designed or modified for a pressurized pepper gas system, which was part of a riot control vehicle, valued at \$163,719.00, without applying for or obtaining the required approval from the U.S. Department of State, Office of Defense Trade Controls.

**CHARGES:**

**CHARGE 1**

Unlawful Export of Defense Article and Aiding and Abetting, in violation of Title 22, United States Code, Section 2778 (b) (2) and (c), Title 22, Code of Federal Regulations, Sections 120.6, 120.7, 121.1 (a), 121.1 (b), 121.7, 121.8, 123.1, 127.1 (a) (1), 127.1 (d), 127.2 and 127.3 (a) and Title 18, United States Code, Section 2.

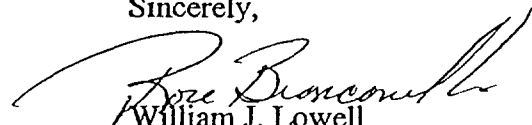
**ADMINISTRATIVE PROCEDURES:**

In accordance with 22 CFR 128, administrative proceedings are instituted against A & C International Trade Inc. for the purpose of obtaining an Order imposing civil administrative sanctions that may include the imposition of debarment or civil penalties. The Assistant Secretary for Political Military Affairs shall determine the appropriate period of debarment, which shall generally be for a period of three years in accordance with 22 C.F.R. 127.7. Civil penalties, not to exceed \$500,000 per violation, may be imposed in accordance with 22 C.F.R. 127.10.

A respondent has certain rights in such proceedings as described in Part 128, a copy of which I am enclosing. Furthermore, pursuant to 22 C.F.R. 128.11, cases may be settled through consent agreements, including prior to service of a charging letter.

Please be advised that the U.S. Government is free to pursue civil, administrative, and/or criminal enforcement for violations of the Arms Export Control Act and the International Traffic in Arms Regulations. The Department of State's decision to pursue one type of enforcement action does not preclude it or any other department or agency of the United States from pursuing another type of enforcement action.

Sincerely,

  
William J. Lowell  
Director